

Chapter 7

Sale, Exchange, and Lease of State Lands

65A-7-1 Division to make rules for the sale, exchange, or lease of state lands.

The division shall establish criteria by rule for the sale, exchange, lease, or other disposition or conveyance of state lands including procedures for determining fair market value of those lands.

Amended by Chapter 294, 1994 General Session

65A-7-5 Surface leases -- Procedures for issuing leases -- Leases for the construction of a highway facility.

- (1) The division may issue surface leases of state lands for any period up to 99 years.
- (2) This section does not apply to leases for oil and gas, grazing, or mining purposes.
- (3) The division shall disclose any known geologic hazard affecting leased property.
- (4)
 - (a)
 - (i) Surface leases may be entered into by negotiation, public auction, or other public competitive bidding process as determined by rules of the division.
 - (ii) Requests for proposals (RFP) on state lands may be offered by the division after public notice.
 - (b)
 - (i) A notice of an invitation for bids or a public auction shall, prior to the auction or acceptance of a bid, be published at least once a week for three consecutive weeks in one or more newspapers of general circulation in the county in which the lease is offered.
 - (ii) The notice shall be sent, by certified mail, at least 30 days prior to the auction or acceptance of a bid, to each person who owns property adjoining the state lands offered for lease.
 - (c)
 - (i) Surface leases entered into through negotiation shall be published in the manner set forth in Subsection (4)(b) 30 days prior to final approval.
 - (ii) The notice shall include, at a minimum, a general description of the lands proposed for lease and the type of lease.
- (5)
 - (a) The division may not issue a lease to a private entity for the construction of a highway facility over sovereign lakebed lands unless the applicant for the lease submits an approval for the construction of a highway facility over sovereign lakebed lands from the Transportation Commission in accordance with Section 72-6-303 with the application for the lease.
 - (b) The division shall consider the information and analysis provided by the Transportation Commission under Section 72-6-303 when making its determination as to whether to issue a lease for the construction of a highway facility over sovereign lakebed lands.
 - (c) A lease for the construction of a highway facility over sovereign lakebed lands:
 - (i) may include an option to renew the lease upon expiration; and
 - (ii) shall include a provision that requires that at the termination of the lease:
 - (A) the ownership of the highway facility shall revert to the state;
 - (B) the highway facility shall be in a state of proper maintenance as outlined in the agreement under Subsection 72-6-303(5)(e) and determined by the Department of Transportation;

(C) the highway facility shall be returned to the Department of Transportation in satisfactory condition at no further cost to the Department of Transportation, in a condition of good repair.

(d) The requirements under this Subsection (5) apply to all pending and future applications for a lease for the construction of a highway facility over sovereign lakebed lands.

Amended by Chapter 103, 2015 General Session

Amended by Chapter 258, 2015 General Session

65A-7-6 Lease covenants.

Each surface lease shall contain the following covenants:

- (1) the lessee shall promptly pay the rent annually in advance;
- (2) no waste shall be committed on the land;
- (3) the premises shall be surrendered at the expiration of the term;
- (4) the lessee may not sublet or assign without the written consent of the division;
- (5) a failure to pay the agreed rent for a period of one month from the time rent is due shall result in a forfeiture of the lease after notice; and
- (6) if improvements have been placed on the land by any person other than the lessee, the lessee shall allow the owner of the improvements to remove them within 90 days.

Amended by Chapter 294, 1994 General Session

65A-7-7 Exchanges of sovereign lands -- Based on equal value -- Lands encumbered by a lease.

- (1)
 - (a) In accordance with division rules and when in the best interest of the state, sovereign lands may be exchanged for other land or other assets within the state held by other proprietors.
 - (b) Upon request of the division, the governor shall execute and deliver the necessary patents to other proprietors and receive proper deeds of the lands so exchanged.
 - (c) An exchange may not be made by the division until a deed or patent for the land received in exchange has been issued by the proprietors.
- (2)
 - (a) If sovereign lands are encumbered by an existing lease, the division, upon approval of an exchange, may, with the consent of the lessee, terminate the existing lease and issue a lease of the same type, on lands of comparable acreage or value, which may be acquired in the same exchange in which the leased lands are used as base.
 - (b) Upon acceptance of exchanged lands, the state shall honor all vested rights.

Amended by Chapter 294, 1994 General Session

65A-7-8 Easements on state lands -- Division to make rules.

- (1) The division shall establish rules for the issuance of easements on, through, and over any state land, and shall establish price schedules.
- (2) A patent for state lands is subject to any existing easement or public right-of-way.

Repealed and Re-enacted by Chapter 294, 1994 General Session